

**DIAMOND MCCARTHY LLP**  
909 Fannin, Suite 1500  
Houston, Texas 77010  
Telephone (713) 333-5100  
Facsimile (713) 333-5199  
Allan B. Diamond, TX State Bar No. 05801800  
Email: [adiamond@diamondmccarthy.com](mailto:adiamond@diamondmccarthy.com)  
Eric D. Madden, TX State Bar No. 24013079  
Email: [emadden@diamondmccarthy.com](mailto:emadden@diamondmccarthy.com)

*Special Litigation Counsel for USA Capital  
Diversified Trust Deed Fund, LLC*

**LEWIS AND ROCA LLP**  
3993 Howard Hughes Parkway, Suite 600  
Las Vegas, Nevada 89169-5996  
Telephone (702) 949-8320  
Facsimile (702) 949-8321  
Rob Charles, NV State Bar No. 006593  
Email: [rcharles@lrlaw.com](mailto:rcharles@lrlaw.com)

*Counsel for USACM Liquidating Trust*

**UNITED STATES DISTRICT COURT  
DISTRICT OF NEVADA**

**USA CAPITAL DIVERSIFIED TRUST  
DEED FUND, LLC,**

**Plaintiff,**

**v.**

**STANLEY E. FULTON,**

**Defendant.**

**CASE NO. 2:09-CV-01946-RLH-LRL**

**Bankruptcy No. BK-S-06-01725-LBR  
Adversary No. 08-01132-LBR**

**JOINT STATUS REPORT AND  
REQUEST TO EXTEND DEADLINE  
TO CLOSE CASE**

Plaintiff USA Capital Diversified Trust Deed Fund, LLC (“DTDF”) and Defendant Stanley E. Fulton (“Fulton”, collectively with DTDF the “Parties”) hereby file this Joint Status Report and Request to Extend Deadline to Close Case (“Status Report”) and state as follows:

At the hearing on June 23, 2010, the Parties advised the Court that a settlement had been reached in principal and that the Parties were continuing to negotiate the final terms of the settlement and anticipated filing a motion to approve the proposed compromise in the Bankruptcy Court for hearing in July.

As a result of these representations at the June 23, 2010 hearing, the Court established a deadline of July 30, 2010, to file the necessary pleadings to close this case.

Negotiations have taken longer than originally anticipated; however, the Parties have recently finalized and executed the settlement agreement and are in the process of finalizing the

necessary pleadings to obtain approval of the compromise from the Bankruptcy Court. A copy of the signed settlement agreement is attached hereto as Exhibit "A." It is anticipated that a hearing on approval of the settlement will be held prior to the end of August 2010. Accordingly, the Parties request that the Court extend the deadline to file closing papers until August 31, 2010, to allow sufficient time to obtain Bankruptcy Court approval of the proposed settlement.

Dated: July 28, 2010

**DIAMOND MCCARTHY LLP**

By: /s/ Eric D. Madden  
 Allan B. Diamond, TX 05801800 (pro hac vice)  
 Eric D. Madden, TX 24013079 (pro hac vice)  
 Michael J. Yoder, TX 24056572 (pro hac vice)  
 909 Fannin, Suite 1500  
 Houston, Texas 77010  
 (713) 333-5100 (telephone)  
 (713) 333-5199 (facsimile)

*Special Litigation Counsel for  
 USA Capital Diversified Trust Deed Fund, LLC*

**O'REILLY LAW GROUP, LLC**

By: /s/ Timothy R. O'Reilly  
 John F. O'Reilly, NV 1761  
 Timothy R. O'Reilly, NV 8866  
 325 South Maryland Parkway  
 Las Vegas, Nevada 89101  
 E-Mail: [tor@oreillylawgroup.com](mailto:tor@oreillylawgroup.com)

*Attorneys for Defendant Stanley E. Fulton*

**LEWIS AND ROCA LLP**

By: /s/ Rob Charles  
 Rob Charles, NV 6593  
 3993 Howard Hughes Parkway, Suite 600  
 Las Vegas, Nevada 89169-5996  
 (702) 949-8320 (telephone)  
 (702) 949-8321 (facsimile)

*Counsel for USACM Liquidating Trust*

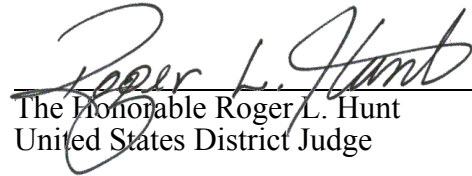
**BIENERT, MILLER & KATZMAN**

By: /s/ Steven J. Katzman  
 Steven J. Katzman, CA 132755  
 115 Avenida Miramar  
 San Clemente, California 92672  
 (949) 369-3700 (telephone)  
 (949) 369-3701 (facsimile)  
 Email: [skatzman@bmkattorneys.com](mailto:skatzman@bmkattorneys.com)

*Attorneys for Defendant Stanley E. Fulton*

**ORDER**

It is hereby ORDERED that the Parties shall file the necessary documents to close this proceeding by no later than August 31, 2010.

  
The Honorable Roger L. Hunt  
United States District Judge